

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission)	
On Its Own Motion)	
)	
-vs-)	
)	
Central Illinois Light Company d/b/a)	Docket No. 10-0272
AmerenCILCO,)	
Central Illinois Public Service Company d/b/a)	Docket No. 10-0273
AmerenCIPS,)	
Illinois Power Company d/b/a AmerenIP)	Docket No. 10-0274 (Cons.)
)	
Reconciliation of revenues collected under)	
power procurement riders with actual costs)	
associated with power procurement)	
expenditures.)	
)	

DRAFT PROPOSED ORDER

I. PROCEDURAL BACKGROUND

In the final order entered in Docket Nos. 05-0160/0161/0162 (Cons.) on January 24, 2006, the Illinois Commerce Commission (“Commission”) approved, with modifications, the initial series of tariffs and riders by which Central Illinois Light Company d/b/a AmerenCILCO (“AmerenCILCO”), Central Illinois Public Service Company d/b/a AmerenCIPS (“AmerenCIPS”) and Illinois Power Company d/b/a AmerenIP (“AmerenIP”), collectively the “Ameren Illinois Utilities” now known as Ameren Illinois Company d/b/a Ameren Illinois (“Ameren Illinois”¹), would purchase and deliver electricity to their customers following the expiration of the mandatory rate freeze on

¹ Effective October 1, 2010, AmerenCILCO and Illinois Power Company d/b/a AmerenIP merged with and into Central Illinois Public Service Company d/b/a AmerenCIPS, resulting in AmerenCIPS being the sole surviving legal entity. Simultaneously, AmerenCIPS' name was changed to Ameren Illinois Company d/b/a Ameren Illinois. Herein, the term Ameren Illinois will refer to the former Ameren Illinois Utilities.

January 1, 2007. Among the approved tariffs for each company was Rider MV, which allowed that the charges and adjustment calculated under the rider were subject to adjustment in accordance with “annual docketed reconciliation proceedings”. The retail charges computed in accordance with these riders applied to service provided on or after January 2, 2007. These tariffs were later suspended and the new tariffs, Rider MVA, were approved in a final order entered on December 19, 2007, in Docket No. 07-0527. The retail charges calculated in accordance with the new tariffs became operational and are applicable to service provided on or after June 1, 2008. Rider Purchased Electricity Recovery (“Rider PER”), also approved in Docket No. 07-0527, provided for the calculation of retail charges in accordance with the new tariffs that became operational and are applicable to service provided on and after June 1, 2008. Rider PER also requires an annual reconciliation. Rider Hourly Supply Service (“Rider HSS”), also approved in Docket No. 07-0527, provided for the calculation of hourly retail charges in accordance with the new tariffs that became operational and are applicable to service provided on and after June 1, 2008. Rider HSS also requires an annual reconciliation. The period from June 1, 2008, through May 31, 2009, will be the reconciliation period (“Reconciliation Period”).

Pursuant to the Initiating Order in these dockets, Ameren Illinois shall reconcile revenue collected under each of the above-named tariffs, or under related provisions filed pursuant to the orders cited and authorizing the recovery of power supply costs for the Reconciliation Period, with costs incurred in connection with procurement activities as defined in the tariffs of each utility. Additionally, Ameren Illinois shall include a schedule

presenting cumulative totals of incremental costs and cumulative totals of recoveries, by customer class, to the extent such information is reasonably available.

On February 9, 2012, an evidentiary hearing was held during which the three cases were consolidated. Ameren Illinois appeared telephonically and Commission Staff (“Staff”) appeared in person. No parties intervened. The record was marked “Heard & Taken”.

II. DIRECT TESTIMONY OF AMEREN ILLINOIS

Mr. James C. Blessing, who at the time of filing direct testimony was Manager – Power Supply Acquisition for Ameren Illinois, sponsored Ameren Exhibits 1.0. Mr. Blessing testified that Ameren Illinois prepared and filed the initial draft procurement plan on October 26, 2007, in Docket No. 07-0527. That plan was approved by the Commission with modifications on December 19, 2007. It was this procurement plan, approved by the Commission with modification, which was implemented by the Procurement Administrator and Ameren Illinois. Under the IPA Procurement Process the PUA normally places the responsibility of hiring the Procurement Administrator on the IPA, but for the same reasons discussed previously the PUA required the Company to hire the Procurement Administrator for this Reconciliation Period. Ameren Illinois hired Levitan and Associates (“Levitan”) to be the Procurement Administrator. As required by the PUA, Levitan was identified as the proposed Procurement Administrator within the procurement plan filed in Docket No. 07-0527 discussed previously and in the final order in that docket the Commission specifically approved the Company’s proposal to utilize Levitan as the Procurement Administrator.

Mr. Blessing further testified that consistent with the PUA, Levitan administered three requests for proposal (“RFP”) styled competitive procurement processes to procure the capacity, energy swaps and renewable energy products identified in the Commission-approved procurement plan. In each case, they followed the prescribed process laid out in the PUA when designing the process, submitted the required confidential reports and recommendations to the Commission following each RFP process. Following the conclusion of each RFP process, Ameren Illinois entered into contracts with the winning suppliers identified in Levitan’s recommendation made to and approved by the Commission.

Mr. Blessing stated that Ameren Illinois made spot market purchases during the Reconciliation Period. Further, the Commission-approved procurement plan identified energy swap contracts as the mechanism to hedge the cost of energy. This resulted in all of the actual energy used to serve the roughly 1/3 of the Company’s fixed priced customer load served by the procurement plan portfolio being purchased from the MISO energy markets. This was accomplished in the manner specified in the procurement plan.

Mr. Blessing described the other services, in addition to the standard market products, that make up the full requirement product. These services include things like network transmission service, ancillary services, and Auction Revenue Rights. Each of these services or items, with the exception of network transmission service, were included in the full requirements product that was procured in the Illinois Auction and are required services to enable Ameren Illinois to serve the load under the portfolio

approach specified in the IPA Procurement Process, which processes used to acquire the service are specified in the Commission-approved plan.

Mr. Blessing identified the other products procured on behalf of Ameren Illinois residential and small business customers. In addition to the products discussed above, Ameren Illinois procured the capacity and energy required to serve the residential and small business customers taking service under real time priced tariffs. The capacity was procured in conjunction with the capacity purchases made on behalf of Ameren Illinois' large customers taking service under real-time priced tariffs via multiple competitive procurement processes administered before and during the Reconciliation Period. For the summer months of June, July, August and September a formal RFP was utilized. For the remaining months, Ameren Illinois directly administered a less formal competitive procurement process consistent with the capacity trading protocols on file at FERC, as more fully described below. The required energy was procured via the MISO day-ahead and real-time energy markets.

Mr. Blessing described the process by which energy and capacity was acquired on behalf of Ameren Illinois' large real time priced customers during the Reconciliation Period. All energy for this customer group was procured via the MISO day-ahead and real-time energy markets. For capacity, Ameren Illinois used an RFP, administered by Burns and McDonnell, for solicitations greater than a month and a less formal competitive procurement process, governed by a set of short term capacity trading protocols, for purchases equal to or less than one month. Ameren Illinois hired Burns and McDonnell to administer a formal RFP process to procure capacity for the summer months of June, July, August and September. Burns and McDonnell issued the RFP to

the market by posting the solicitation to its website, emailing it to a comprehensive list of market participants and through targeted advertising in Megawatt Daily. In addition, Burns and McDonnell prepared a posting for the MISO Electronic Bulletin Board which alerted the market of the RFP and provided a link to the RFP website. Burns and McDonnell provided a description of the product, a schedule that provided key deadlines, the quantity, the term and a sample contract. The RFP process required that all communication with potential bidders go through Burns and McDonnell. When input was required from Ameren Illinois personnel, to respond to a bidder question or consider contract language changes during the contract comment period, all information provided to Ameren Illinois was pre-screened to remove the identification of the bidder. All capacity offers were submitted directly to Burns and McDonnell, who was solely responsible for evaluating such offers. Once Burns and McDonnell confirmed the capacity offered satisfied the MISO's deliverability requirements, the low cost offers were selected. Ameren Illinois was then notified of the winning suppliers and associated capacity resources, with contract execution following immediately after such notification. With respect to the competitive procurement process utilized for capacity purchases of a shorter duration, Ameren Illinois administered this process directly by strictly following the short term capacity trading protocols approved by FERC. These protocols were approved by FERC in Docket No.ER07-361 and require Ameren Illinois to post notice of any solicitation to the MISO Electronic Bulletin Board and e-mail the solicitation to as many market participants as practical. Market participants then provided offers for capacity directly to Ameren Illinois, prior to the solicitation deadline. All offers were screened by Ameren Illinois to ensure the capacity offered satisfied

MISO's deliverability requirements. Once complete, Ameren Illinois selected the low cost suppliers and notified them they were selected, with contract execution finalizing the transaction.

Mr. Blessing testified that in all cases, the procurements allowed Ameren Illinois to satisfy the MISO resource adequacy requirement and to do so at competitive, market based prices.

Mr. Blessing testified that Ameren Illinois purchases were made in accordance with the process approved as part of the Procurement Docket. The SFCs that resulted from the Illinois Auction used the exact form of contract that was discussed and approved as part of the Procurement Docket. In addition, all aspects of the final design of the Illinois Auction, including the roles in that design of the auction manager, the auction advisor hired by the Commission, the Staff, and Ameren Illinois, were in accordance with the process approved as part of the Procurement Docket. Once the SFCs were in place, Ameren Illinois acted in accordance with those contracts. Power supply was delivered by the suppliers per the terms of the SFCs and Ameren Illinois made payments to those suppliers per the terms of the SFCs. Notwithstanding Section 16-111.5 (l) of the PUA which discusses the recovery of power and energy procurement costs relevant to this Reconciliation Period, Mr. Blessing states that Ameren Illinois has performed all prudent acts in a manner consistent with the law, the Commission's order in the Procurement Docket, and any related FERC and/or Commission protocols to ensure the prudent purchase of power supply and delivery to their customers.

Additionally, notwithstanding Section 16-111.5(k) of the PUA, Mr. Blessing states that purchases made via the IPA procurement process were made in a manner

consistent with the procurement provisions of the PUA and that Ameren Illinois has performed all prudent acts in a manner consistent with the law and the Commission's order in Docket No. 07-0527. Further the capacity and energy purchases made by Ameren Illinois on behalf of the real time priced customer load were made in a manner consistent with the parameters included in Rider HSS and the FERC approved capacity trading protocols.

Mr. Dominic S. Perniciaro, Supervisor - Power Accounting for Ameren Services Company, a services company affiliate of Ameren Illinois, sponsored Ameren Exhibit 2.0 (2nd Revised) and Ameren Exhibits 2.1 - 2.7. Mr. Perniciaro was responsible for the calculations necessary to implement Rider PER and Rider HSS in each rate zone of Ameren Illinois. In his testimony, Mr. Perniciaro explains the manner by which the revenues for each of Ameren Illinois' rate zones (that make up the former Ameren Illinois Utilities) were collected, how they were accounted for, any accounting adjustments made during the course of the Reconciliation Period, and the costs attributable to the relevant procurement activities.

Mr. Perniciaro describes in detail his supporting exhibits. Ameren Exhibits 2.1, 2.2 and 2.3, show the recovery of Ameren Illinois' total allowable costs over the 12-month Reconciliation Period ending May 31, 2009 for the Basic Generation Service – Fixed Price (“BGS-FP”) product under Rider PER. Ameren Exhibits 2.4, 2.5 and 2.6 show the recovery of the Company's total allowable costs over the twelve-month reconciliation period ending May 31, 2009 for the Basic Generation Service – Large Real-Time Pricing (“BGS-LRTP”) product under Rider HSS. Ameren Exhibit 2.7 shows

the amounts filed for each recovery period since January 2007 compared to how they should have been reported and the resulting variance.

Mr. Perniciaro described generally the tariffs that provide service to customer groups and how they relate to the various purchased power and energy products. Two different products were procured for customers who choose to take power from Ameren Illinois: BGS-FP was available to customers with demands under of 1,000 kilowatts (“kW”); and BGS-LRTP was available to customers with demands equal to or greater than 1,000 kW. Ameren Illinois also offered small customers (those with demands under 1,000 kW) service under Rider PER. The real-time pricing (“RTP”) product for small customers was supplied from contracts entered to serve the BGS-FP category of service.

Mr. Perniciaro described the procedure followed by the Power Accounting Department in producing and filing monthly reconciliations. The monthly Rider PER and Rider HSS revenues are calculated using Ameren Illinois’ reports for sales and estimated billed output. The “actual” revenues reported in the filings are estimated based on actual rates for billed and estimated unbilled volumes. Revenues are tracked for each category of service (i.e., BGS-FP and BGS-LRTP). The cost components are provided by different groups. The cost of power from auction suppliers is provided by the Transmission Services Business Center (“TSBC”) group based on the supplier bills. The cost of power and market settlement costs from MISO are provided by the Power Accounting group based on the MISO settlement statements. The cost of power provided by Qualified Facilities (“QF”) is calculated from the output provided by the TSBC, priced at the average locational marginal price (“LMP”) for the month. The

ancillary services expenses for Schedules 1, 2, 3, 5, 6, 25 and 26 are based on MISO tariff pricing for the BGS-LRTP category. Capacity costs are from suppliers bills. The free service load (power supply provided to municipalities pursuant to franchise agreements) is provided by the Energy Delivery Customer Service group and the company use load is set in the rate case. According to Mr. Perniciaro, these volumes are priced at the monthly average cost.

Mr. Perniciaro identified special circumstances that affected power purchases. AmerenCILCO and AmerenIP had pre-existing Special Contracts with customers that extended beyond January 2, 2007. The cost of the power to supply these customers is subtracted from the total costs for the BGS-LFP product for reconciliation purposes, since the revenue for these customers is not included within the BGS-LFP category. In other words, Special Contract customers were provided service under the terms of their contracts, AmerenCILCO and AmerenIP supplied these customers from the BGS-LFP category of service, but the cost of serving these customers was removed from the monthly over/under reconciliation calculation in order to insulate other BGS-LFP customers from the effect of serving the Special Contract customers. These contracts ended within the first reconciliation period. Additionally, Mr. Perniciaro explained that AmerenCILCO bought power generated by Medina Valley in excess of Caterpillar's needs, and these costs are included in the cost of power supplied to customers and are calculated based on Medina Valley's production costs. The revenues and costs are compared in the monthly informational filings and sent to the Staff.

Mr. Perniciaro explained that all customer categories do not incur the above-described costs. Below is a list of the applicable cost items cross referenced to the category of service to which it applies:

	Cost Item	Category of Service
1	Auction Suppliers	BGS-FP; BGS-LRTP
2	MISO Energy Costs	BGS-FP; BGS-LRTP
3	MISO Market Settlement	BGS-FP; BGS-LRTP
4	Rider QF Costs	BGS-FP
5	Medina Valley Excess Generation	BGS-FP (AmerenCILCO Only)
6	Ancillary Services	BGS-FP; BGS-LRTP
7	Capacity	BGS-FP; BGS-LRTP
8	Company Use & Free Service under Franchises	BGS-FP

Mr. Perniciaro also describes the procedures followed in producing and filing the annual reconciliations. The Cost Item portion of the annual reconciliation is received from the sources described above. Revenues are calculated from each of the respective reports for sales and estimated billed output; adjustments are made for cycle billing (unbilled volumes).

Mr. Perniciaro identified each adjustment made and described how each was calculated. In the October 2008 filing for AmerenCIPS for the BGS-LFP rates, an adjustment was made for accounts that were incorrectly classified. These accounts were classified as BGS-LFP customers but they were actually BGS-FP and alternative retail electric suppliers (“ARES”) customers. BGS-LFP rates were decreased by these

incorrect costs. The BGS-FP adjustment was made in the October filing that was filed under Rider PER so it is not included in this reconciliation. In the October 2008 filing for AmerenIP for the BGS-LFP rates, there were two adjustments made for accounts that were previously incorrectly classified. The first adjustment was for accounts that were classified as BGS-LFP customers but they were actually ARES customers. BGS-LFP costs were decreased to correct for the oversight, and the Market Value Adjustment (“MVA”) factor applied to customers was adjusted accordingly. The second adjustment was for AmerenIP Special Contracts. These contracts are served under the BGS-LFP tariff but their costs should be excluded from the Rider. There were some final settlements for the Special Contracts not included in the BGS-LFP costs in the calculation in prior months. When making the monthly adjustment for the Special Contracts, Ameren Illinois began with AmerenIP’s total cost and then reduce the costs by the Special Contracts. However, when the adjustment was made for these final settlements, an error occurred that caused a decrease in the total costs for the Special Contracts cost which had already been once excluded. In October 2008, we added back the amount of the Special Contracts costs that were deducted twice.

Mr. Perniciaro identified an additional adjustment worthy of discussion. In the first reconciliation period (Docket Nos. 09-0077, 09-0078, 09-0079), testimony was provided that indicated the variable and fixed costs components of Medina Valley’s generation should be excluded from the cost calculation but the gas costs should be calculated using the formula provided in Docket Nos. 00-0815 and 00-0816 instead of the actual cost of gas. This resulted in an adjustment is \$1,885,614.19 for the first reconciliation period. Since this issue continued through December 2008, an

adjustment is needed for the second reconciliation period in the amount of \$869,667.24 to reflect the adjustment needed from June 2008 through December 2008. In October 2010, internal analysis found revenue collected by Ameren Illinois that was not included in the total revenue collected for Rider PER as a result of a mapping error. The issue resulted in under reported revenues of \$6,619,363.01 from June 2008 through June 2010. Of this amount, \$585,403.10 of the over-recovered amount was related to the reconciliation period from June 2010 through May 2011 and was included as a Factor A in the January 2011 filing. The remaining over-recovered amount of \$6,033,959.91 split by Reconciliation Period is:

Rate Zone I:	\$673,988.38 for the period from June 2008 – May 2009 \$1,191,872.42 for the period from June 2009 – May 2010
Rate Zone II:	\$370,161.52 for the period from June 2008 – May 2009 \$450,530.27 for the period from June 2009 – May 2010
Rate Zone III:	\$1,296,706.26 for the period from June 2008 – May 2009 \$2,050,701.06 for the period from June 2009 – May 2010

Once identified, these amounts were determined by summarizing the general ledger for this specific revenue.

Mr. Perniciaro further explained that in January 2011, internal analysis determined that the work papers calculating the unamortized balance in the filings had a flaw that resulted in a reduction in said balance at a quicker pace than the general ledger, resulting in an over-recovered balance in aggregate in the general ledger compared to the unamortized balance in the filing. Ameren Exhibit 2.7 indicates the amount per Rate Zone and reconciliation period for the periods from January 2007 through the most current filing. Staff was notified of the issue in February of 2011 and it was corrected in the March 2011 filing in order to correct the balances as quickly as

possible to reflect the calculation correction in the work papers. While reconciling the unamortized balance back to the general ledger each month to address the unamortized balance issue, it was discovered that amounts related to the discontinuation of Rider LFP and Rider QF in June 2008 were never added to the unamortized balance of the filing. These amounts were calculated by determining the residual balance for each rider less any amount included in the Factor A relating to their inclusion in Rider PER:

Rate Zone I: \$51,384.55 over-recovered in Rider PER related to Rider QF
 \$82,850.75 under-recovered in Rider PER related to Rider LFP

Rate Zone II: \$56,190.40 over-recovered in Rider PER related to Rider QF
 \$352,778.82 under-recovered in Rider PER related to Rider LFP

Rate Zone III: \$228,060.39 over-recovered in Rider PER related to Rider QF
 \$101,108.85 over-recovered in Rider PER related to Rider LFP

Mr. Perniciaro testified that the last reconciling item found relates to the June 2008 revenues record for AmerenCILCOs BGS-RTP product. Revenue was filed as \$3,688,716.15 when the correct revenue amount is \$3,686,716.15, resulting in an under recovery of \$2,000.

Mr. Perniciaro also sponsored Ameren Exhibit 3.0 which, according to Mr. Perniciaro, provides clarification to a question posed by the Commission in its Initiating Order. Mr. Perniciaro explained that although Ameren Illinois did include a schedule presenting cumulative totals of incremental costs and cumulative totals of recoveries, by customer class, pursuant to the Initiating Order, any detail beyond supply product (i.e., fixed price load and large RTP load) is not available because there is no further granularity associated with these costs. Cost data is only collected on a total “supply

product” basis. To provide any further cost data would be extremely burdensome as the data sets simply do not exist in a format that would be conducive to any further data analysis.

III. DIRECT TESTIMONY OF STAFF

Ms. Theresa Ebrey, Accountant in the Accounting Department of the Financial Analysis Division of the Commission, sponsored ICC Staff Exhibit 1.0 and Schedules 1.01 CILCO, 1.01 CIPS and 1.01 IP. Ms. Ebrey described Schedule 1.01 for each Rate Zone. Page 1 of each Schedule presents a summary of the reconciliation for the various components of Rider PER and Rider HSS. Pages 2 and 3 of each Schedule presents Ameren Illinois’ reconciliation of each product, adjustments, and the resulting Staff calculation.

Ms. Ebrey testified that Ameren Illinois did not provide reconciliation schedules similar to those provided in the previous year’s reconciliation order but that such schedules were provided responsive to Staff data requests.

However, Staff did not agree with the schedules submitted by Ameren Illinois. Ms. Ebrey stated that she was unable to trace amounts from those schedules to the amounts approved in the final orders in the prior year’s reconciliation or to amounts included in the monthly filings made by the Companies during the Reconciliation Period. In developing her schedules, Ms. Ebrey testified that she started with the final order from the last proceeding and reflected amounts filed during the Reconciliation Period. Changes to those costs, recoveries or interest amounts are shown in the adjustment column on Schedule 1.01 for each Rate Zone with the sources shown as company provided information.

Ms. Ebrey described the adjustments she proposes. Ms. Ebrey proposes adjustments to provide for Rider PER interest for the reconciliation period on the Rider QF Over-recovery and the Day Ahead Energy Revenues which were not included in the monthly filings during the Reconciliation Period. In addition, Ms. Ebrey proposes a similar adjustment to interest for AmerenCILCO Rider HSS associated with the \$2000 error identified by Ameren Illinois for RTP recoveries for the period October 2008 through May 2009. The amounts for interest were provided by Ameren Illinois in discovery.

Ms. Ebrey explains why she only included interest through May 2009 when Ameren Illinois' discovery responses calculate interest through December 2011. The Reconciliation Period in this case covers the period June 2008 through May 2009. Ms. Ebrey suggests that any interest beyond the Reconciliation Period will need to be calculated and included in Ameren Illinois' informational filings when the Commission-approved Factor O is refunded to ratepayers.

Ms. Ebrey explained why she did not propose any interest on the automatic balancing adjustment ("ABA"). Ameren Illinois identified the error regarding the ABA and reflected the adjustment in the informational filing made in March 2011. In calculating that adjustment, Ameren Illinois included an amount for interest as reflected in the associated workpapers. Thus no additional interest adjustment is necessary for the Reconciliation Period.

Ms. Ebrey summarized her recommendations to the Commission and they include the following:

- a) Approve Staff Schedule 1.01 CILCO as the reconciliation for Rider PER and Rider HSS for AmerenCILCO with a Factor O refund of \$(1,297,329) for the twelve-month Reconciliation Period ending May 31, 2009;
- b) Approve Staff Schedule 1.01 CIPS as the reconciliation for Rider PER and Rider HSS for AmerenCIPS with a Factor O refund of \$(731,037) for the twelve- month Reconciliation Period ending May 31, 2009;
- c) Approve Staff Schedule 1.01 IP as the reconciliation for Rider PER and Rider HSS for AmerenIP with a Factor O refund of \$(1,536,615) for the twelve-month Reconciliation Period ending May 31, 2009; and
- d) Direct Ameren Illinois to refund \$(1,297,329) for AmerenCILCO customers, \$(731,037) for AmerenCIPS customers, and \$(1,536,615) for AmerenIP customers in the first monthly Rider PER and Rider HSS informational filings after the date of the Order in these dockets.

IV. REBUTTAL TESTIMONY OF AMEREN ILLINOIS

Mr. Perniciaro also sponsored rebuttal testimony identified as Ameren Exhibit 4.0. In his rebuttal testimony, Mr. Perniciaro responded to the adjustments proposed by Staff and testified that he is in agreement with those recommendations.

V. COMMISSION ANALYSIS AND CONCLUSION

There are no issues between the parties for the Commission to resolve in this proceeding. The reconciliations as set forth on ICC Staff Exhibit 1.0, Schedules 1.01 CILCO, 1.01 CIPS and 1.01 IP are appropriate and are hereby adopted by the Commission.

Regarding the prudence of the purchases based upon the testimony of Ameren Illinois witness Mr. Blessing, Ameren Illinois' purchases were made in accordance with the process approved as part of the Procurement Docket. With respect to Ameren Illinois' purchases made via the IPA Procurement Process, these were made in a manner consistent with the procurement provisions of the PUA. It is the opinion of the Commission that Ameren Illinois has performed in a manner consistent with the law, the Commission's order in the Procurement Docket No. 07-0527, and any related FERC and/or Commission protocols to ensure the prudent purchase of power supply and delivery to their customers. It is further the opinion of the Commission that the capacity and energy purchases made by Ameren Illinois on behalf of the real time priced customer load were made in a manner consistent with the parameters included in Rider HSS and the FERC approved capacity trading protocols.

VI. FINDINGS AND ORDERING PARAGRAPHS

The Commission, having considered the entire record and being fully advised in the premises, is of the opinion and finds that:

- 1) the Commission has jurisdiction over Ameren Illinois Company and of the subject matter of this proceeding;
- 2) the statements of fact set forth in the prefatory portion of this Order are supported by the record and are hereby adopted as findings of fact;
- 3) Ameren Illinois acted reasonably and prudent with respect to the power procurement costs obtained during the period June 1, 2008 through May 31, 2009;

- 4) the Commission adopts ICC Staff Exhibit 1.0 Schedule 1.01 CILCO, as the reconciliation for Rider PER and Rider HSS for AmerenCILCO with a Factor O refund of \$(1,297,329) for the twelve-month Reconciliation Period ending May 31, 2009, attached hereto as Appendix A;
- 5) the Commission adopts ICC Staff Exhibit 1.0 Schedule 1.01 CIPS as the reconciliation for Rider PER and Rider HSS for AmerenCIPS with a Factor O refund of \$(731,037) for the twelve- month Reconciliation Period ending May 31, 2009, attached hereto as Appendix B;
- 6) the Commission adopts ICC Staff Exhibit 1.0, Schedule 1.01IP as the reconciliation for Rider PER and HSS for AmerenIP with a Factor O refund of \$(1,536,615) for the twelve-month Reconciliation Period ending May 31, 2009, attached hereto as Appendix C;
- 7) Ameren Illinois shall refund \$(1,297,329) for AmerenCILCO customers, \$(731,037) for AmerenCIPS customers, and \$(1,536,615) for AmerenIP customers in the first monthly Rider PER and Rider HSS informational filings after the date of the Order in these dockets;
- 8) all motions, petitions, objections, or other matters in this proceeding that remain unresolved should be resolved consistent with the conclusion contained herein.

IT IS FURTHER ORDERED by the Illinois Commerce Commission that the reconciliations submitted by Commission Staff are appropriate, the costs included in the reconciliations were prudently incurred, and the reconciliations are hereby approved as reflected in the attached Appendices A, B and C.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.800, this Order is final; it is not subject to the Administrative Review Law.

By order of the Commission this _____ day of _____, 2012.

DOUGLAS P. SCOTT, Chairman